

Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 OMB-01 NIC-01 DRC-01 /092 W

----- 029020

R 100945Z APR 74

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 6665

INFO AMEMBASSY BANGKOK

AMEMBASSY JAKARTA

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

CINCPAC

C O N F I D E N T I A L SECTION 1 OF 2 KUALA LUMPUR 1612

CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS: PINT PGOV MY

SUBJECT: POLITICAL IMPLICATIONS OF TAN SIEW SIN'S
RESIGNATION

1. SUMMARY: IN ANNOUNCING HIS RESIGNATION AS FINANCE MINISTER AND PRESIDENT OF THE MCA ON APRIL 8, TAN SIEW SIN CITED "REASONS OF HEALTH." WHATEVER HIS TRUE STATE OF HEALTH, HE LEAVES THE POLITICAL ORGANIZATION HE LED FOR 14 YEARS IN A SICK AND WEAKENED POSITION. WITHIN THE MCA THE LOSS OF THIS GENERALLY UNPOPULAR AND SOMETIMES DIVISIVE LEADER IS VIEWED AS A GAIN FOR THE PARTY. FOLLOWING IS AN ANALYSIS OF COURSES OF ACTION OPEN TO THE MCA IN FACING ELECTIONS IN A FEW MONTHS WITHOUT SIEW SIN AT THE HELM. END SUMMARY.

2. MINISTER OF TECHNOLOGY AND NEW VILLAGES LEE SAN CHOON HAS TAKEN OVER AS ACTING PRESIDENT OF THE MCA, HEALTH
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MINISTER LEE SIOK YEW IS ACTING DEPUTY PRESIDENT, AND

IN THE BACKGROUND IS MINISTER WITH SPECIAL FUNCTIONS
MICHAEL CHEN WITH HIS REPUTATION AS PRIME MINISTER
RAZAK'S MAN IN THE MCA. THESE THREE MEN, ALONG WITH
SOME REGIONAL AND LOCAL POWERS IN THE MCA, WILL SHAPE
THE MCA'S FUTURE, ATTEMPTING TO REVERSE THE LATE TUN
DR. ISMAIL'S PROPHECY THAT THE MCA IS "MORE DEAD THAN
ALIVE."

3. FOUR POSSIBLE PATHS FOR THE MCA ARE BEING DISCUSSED
IN LOCAL POLITICAL CIRCLES:

A. THE MCA SHOULD PULL OUT OF THE NATIONAL FRONT
COALITION, CONTEST AS MANY CONSTITUENCIES AS IT HAS A
CHANCE OF WINNING, AND THEN TRY TO BARGAIN ITS WAY BACK
INTO THE GOVERNMENT. THIS IS AN EXTREME OPTION WHICH
THE EMBASSY EVALUATES AS UNLIKELY, BUT IT HAS SUPPORT
AMONG MCA BRANCHES IN PENANG AND PERAK WHERE LOCAL
MCA CHIEFTAINS FEAR THAT UNDER THE NATIONAL FRONT
CONCEPT THEY WILL NOT HAVE A CHANCE TO CONTEST IN
ANY MORE THAN THE 13 PARLIAMENTARY CONSTITUENCIES NOW
HELD BY THE PARTY.

B. ACCEPT THE FACT THAT THE MV CAN ONLY CONTEST
13 SEATS IT WON IN 1969. ADOPTION OF THIS PATH WOULD
SIGNAL THE TOTAL DEMISE OF THE MCA AS A POLITICAL
FORUM, ALTHOUGH IT MIGHT CONTINUE TO FUNCTION AS A
CHINESE ADJUNCT TO THE UNITED MALAYS NATIONAL ORGANI-
ZATION (UMNO). SOME WEALTHY CHINESE BUSINESSMEN WHO
SEE THE MCA AS THEIR CHANNEL OF COMMUNICATION INTO THE
GOVERNMENT MIGHT ACCEPT SUCH A ROLE, BUT TOP MCA
LEADERS WHO ASPIRE TO GENUINE POLITICAL POWER AS SPOKES-
MEN OF THE CHINESE UNDERSTAND THAT THIS WOULD BE
POLITICAL SUICIDE.

C. ADOPT A HIGHLY PRAGMATIC APPROACH, ACCEPTING THE
DIMINISHED IMPORTANCE OF THE MCA, BUT CONTINUE TO ASPIRE
TO A ROLE AS UMNO'S PRINCIPAL CHINESE PARTNER. MCA
WOULD ALSO ACCEPT THE FACT THAT IT CANNOT CONTEST ALL
ITS TRADITIONAL 33 SEATS, BUT WOULD SEEK TO DEMONSTRATE
IT HAS THE BEST POTENTIAL CANDIDATES FOR MORE THAN THE
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13 SEATS IT CAPTURED IN 1969. THIS APPROACH HAS ITS

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FM AMEMBASSY KUALA LUMPUR

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C O N F I D E N T I A L SECTION 2 OF 2 KUALA LUMPUR 1612

CINCPAC FOR POLAD

GREATEST APPEAL IN JOHORE AND MALACCA WHERE THE NATIONAL FRONT ESSENTIALLY EXISTS IN NAME ONLY, AND THE TRADITIONAL ALLIANCE PARTY STRUCTURE CONTINUES TO FUNCTION. IT RISKS SPLITTING THE PARTY BY WRITING OFF ITS WEAKER BRANCHES, BUT IT MUST BE RATED A HIGH PROBABILITY. D. FINALLY, THE APPROACH WHICH THE TOP LEASERSHIP OF MCA PROBABLY DEVOUTLY DESIRES BUT RECOGNIZES WILL BE EXTREMELY DIFFICULT TO CARRY OUT, ISSP GRAND COALITION OF CHINESE PARTIES AFFILIATED WITH THE NATIONAL FRONT. THIS APPROACH IS VERY MUCH IN ACCORD WITH THE MCA'S CALL FOR CHINESE UNITY; THE MCA COULD ALSO ARGUE FOR MORE CONSTITUENCIES THAN IT NOW HOLDS. SIW SIN'S DEPARTURE MAKES THIS COURSE OF ACTION MORE LIKELY, BUT THERE STILL ARE ENORMOUS PROBLEMS OF CONFLICTING POLITICAL AMBITIONS OF TOP CHINESE LEADERS, MOST NOTABLY PENANG CHIEF MINISTER DR LIM CHONG EU.

4. THE SITUATION REMAINS FLUID, AND THE MCA HAS BEEN
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TREADING ON DANGEROUS GROUNDS RECENTLY IN CHAMPIONING

SUCH ISSUES AS CHINESE EDUCATION AND LANGUAGE. IN ESPOUSING CHAUVINIST CAUSES IN THE NAME OF CHINESE UNITY, MCA IS ALREADY FAR OUT IN FRONT OF OTHER NON-MALAY NATIONAL FRONT PARTIES. WITH DEPARTURE OF THE UNASSAILABLE SIEW SIN, IT RISKS BEING CALLED TO HEEL BY PM RAZAK.

5. RAZAK HAS A NUMBER OF KEY CARDS TO PLAY, AMOND WHICH IS THE FINANCE PORTFOLIO. SPECULATION IS THAT RAZAK WILL CONTINUE TO ACT AS FINANCE MINISTER UNTIL AFTER NATIONAL ELECTIONS. HE HAS, HOWEVER, REPORTEDLY TOLD HIS POLITICAL ADVISERS THAT THE POST WILL GO TO A CHINESE FOLLOWING ELECTIONS. MCA SOURCES HAVE SAID PRIVATELY THAT IT WAS A HANDICAP FOR THEIR PARTY TO HAVE ITS LEADER ANNOUNCE THE GOVERNMENT'S NEW TAXES, CREDIT CONTROL MEASURES, AND OTHER POLITICALLY UNPOPULAR MEASURES. THEY UNDOUBTEDLY WOULD LIKE TO CONTINUE TO INFLUENCE THIS POWERFUL POST, BUT AT THE PRESENT TIME NO CHINESE LEADER OF SUFFICIENT STATURE HAS EMERGED WHO IS AN OBVIOUS CHOIC FOR THE JOB. SOME MCA OFFICIALS WOULD PROBABLY BE WILLING TO SEE THE MINISTRY MANAGED BY SECRETARY-GENERAL CHONG HONG NYAN OR ECONOMIC PLANNING UNIT CHIEF THONG YAW HONFN WHO HAVE NOT HERETOFORE SOUGHT PUBLIC OFFICE. THERE HAS EVEN BEEN TALK OF APPOINTING ONE OF THESE MEN AS FINANCE MINISTER, BUT WE DOUBT THEY HAVE SUFFICIENT POLITICAL CLOUT FOR THIS KEY POST. OTHER AND MORE POLITICALLY POTENT FIGURES MENTIONED IN THIS CONTEXT INCLUDE AMBASSADOR TO THE FRG PHILIP KUOK AND, AS A VERY DARK HORSE, OLCAL GOVERNMENT AND HOUSING MINISTER ONG KEE HUI OF THE SARAWAK UNITED PEOPLES PARTY.

6. IN NATIONAL POLITICAL TERMS, SIEW SIN'S DEPARTURE CREATES A SHORT-TERM VOID BUT, DUE TO HIS OWN POLITICAL INEPTITUDE AND ALOFFNESS, HE IS NOT LIKELY TO BE MISSED (EXCEPT AS A VISIBLE SYMBOL OF MCA INFLUENCE IN THE GOVERNMENT), NOR IS HE IRREPLACEABLE. OVERALL POLITICAL STABILITY, CONSIDERING THAT THE SEEDS OF DISCONTENT IN THE MCA WERE PLANTED LONG BEFORE HIS RESIGNATION, WILL NOT BE AFFECTED AND IT IS MORE A MATTER OF PM RAZAK MANAGING THIS MINOR CRISIS AND SORTING OUT THE MCA'S FUTURE ROLE VIA A VIS THE GOVERNMENT.

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Message Attributes

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